

IN THE SPECIFICATION

Please the paragraph starting on pp 22 line 18 with the following rewritten paragraph:

Figure 5 shows an overview diagram depicting the relationship of transceiver [200] 300 to the broadcast means of the MSO. As described above, digital broadcast signal 370 can be delivered to transceiver 200 using any of the various mechanisms currently in use or envisioned, such as a terrestrial line (e.g., a cable system), the World Wide Web (e.g., a connection to the Internet), or a wireless transmission (e.g., a satellite broadcast or terrestrial broadcast). This is depicted in Figure 5 as digital broadcast signal 370a from internet/cable [391] 585 and digital broadcast signal 370b from satellite/terrestrial broadcast [392] 585. Which ever format or means of reception is used, the secure encryption method of the present embodiment ensures premium copyrighted services are securely transmitted from signals 370a-370b to [television 375] display device 395.

Please the paragraph starting on pp 23 line 14 with the following rewritten paragraph:

Transceiver 400 of Figure 6 is substantially similar to transceiver 200 of Figure 2. However, Transceiver 400 receives digital broadcast signal 370 via a separate front end block 310 and is transmitted to conditional access block 330 for descrambling and subsequent transmission to A/V decode block 340. As with transceiver 200 in Figure 2, with transceiver 400, each functional block coupled

to bus 305 includes its respective BIU and encryption unit. For example, front end block 310 and conditional access block [345] 330 include BIUs 624-[635] 625 and encryption units 614-615 respectively.

Please the paragraph starting on pp 24 line 5 with the following rewritten paragraph:

Smart card 325 stores information needed by a cable system operator or digital broadcast system operator (e.g., a Multiple System Operator, MSO) in order to bill a subscriber for services used by the subscriber (for example, the viewing of a pay-per-view movie or event). Typically, smart card 325 also includes a key that is used to descramble digital broadcast signal 370 (if the signal is scrambled). In the present embodiment, smart card 325 is inserted into conditional access block 330; however, it is appreciated that in other embodiments smart card 325 may be coupled in a different manner to intelligent transceiver [300] 400 (for example, it may be inserted into either front-end block 310 or A/V decode block 340). Using the key from smart card 325, conditional access block 330 descrambles digital broadcast signal 370.

Please the paragraph starting on pp 18 line 11 with the following rewritten paragraph:

Additional description of the transceiver of the present invention is contained in U.S. Patent Application No. 09/474,920, filed on 12/29/99, entitled "A METHOD AND SYSTEM FOR A BI-DIRECTIONAL TRANSCEIVER FOR

COMBINING INTERNET INFORMATION WITH VIDEO INFORMATION TO
CREATE AN INTERACTIVE DISPLAY INTERFACE" by Maruo, et al., and in U.S.
Patent Application No. 09/538,605, filed on 3/29/00, entitled "METHOD AND
APPARATUS FOR A MODULARIZED BI-DIRECTIONAL TUNING SYSTEM" by
Maruo, et al., which are both incorporated herein by reference.